



COMMISSION for SOCIAL DEVELOPMENT

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Department of
Economic and
Social Affairs



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Fifty-ninth Session of the Commission for Social Development

Panel discussion on Emerging Issues

“Social policy to promote a more inclusive, resilient and sustainable recovery: Building back better post-COVID-19 for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development”

Wednesday, 10 February 2021, 10:00 am – 12:00 pm
(Virtual Meeting)

Chair’s Summary

The Commission for Social Development held a virtual panel discussion under sub-agenda item 3 (c) Emerging Issues on 10 February 2021. The theme of the panel was “Social policy to promote a more inclusive, resilient and sustainable recovery: Building back better post-COVID-19 for the achievement of the 2030 Agenda in the context of the decade of action and delivery for sustainable development.”

The panelists were **Mr. Jordi Curell Gotor**, Director of Labour Mobility, Directorate-General for Employment, Social Affairs and Inclusion, European Commission; **Ms. Megumi Muto**, Vice President, Japan International Cooperation Agency (JICA); **Ms. Cristina Duarte**, Under-Secretary-General and Special Adviser on Africa to the United Nations Secretary-General; **Mr. Jeremy Millard**, Senior Consultant at the Danish Technological Institute; **Dr. David Smith**, Coordinator of the Institute for Sustainable Development (ISD), and Director of the Centre for Environmental Management at the University of the West Indies (UWI); and **Ms. Victoria Tolosa Paz**, President of the National Council for the Coordination of Social Policies, Argentina. The panel was moderated by **Mr. Pedro Conceição**, Director of the Human Development Report Office, with **Mr. Sangheon Lee**, Director of the ILO Employment Policy Department, as lead discussant.

Socio-economic impacts of COVID-19

The COVID-19 pandemic has had a devastating impact across regions. According to World Bank estimates, between 88 and 115 million additional people were pushed into extreme poverty in 2020 alone. Globally, there was an 8.8 per cent decline in working hours due to the pandemic in 2020

(four times as much as that caused by the 2008 global financial and economic crisis). And the crisis is not yet over – employment levels are expected to stay below pre-pandemic levels for a considerable amount of time.

The pandemic has exposed pre-existing inequalities and vulnerabilities worldwide, and is set to worsen pre-existing inequalities, since the most marginalized and disadvantaged members of societies are those who are being affected the most.

Speakers highlighted the differentiated impacts of COVID-19, by age, gender, and socio-economic status. Emphasis was placed on the severe labour market impacts among young people, migrant, low-paid low-skilled workers, informal workers, and women who carry the burden of both paid and unpaid work and disproportionately represent in the most impacted sectors of the economy.

Young people, in particular, stand to suffer long-term consequences of this pandemic by making the transition from education to the labour market extremely challenging and interrupting career paths. Since the beginning of the pandemic, one out of every six young people worldwide has stopped working, while those still employed have experienced a 42 per cent drop in income. This decrease in their early earnings also lowers their prospect of future income, affecting *de facto* their life-long opportunities.

Good practices in mitigating the negative impacts of COVID-19 through social policy and social protection systems and measures

Social policy has a key role to play in mitigating and overcoming the negative economic and social impacts of the COVID-19 pandemic, in particular on disadvantaged and marginalized populations. The panel discussed which social policies can promote a more inclusive, resilient, and sustainable recovery from COVID-19.

Speakers noted that social protection plays a pivotal role in the response to the pandemic. India is a pioneer in overhauling the social protection system in response to COVID-19, providing targeted multiple protection to the vulnerable, including health care, cash transfer, food, and energy support. Basic income schemes show positive effects on well-being, self-confidence, community participation, skills, and sometimes also on social enterprise, with positive, secondary effects on employment. In Argentina, a basic income program seeks to raise the revenue of those in the informal economy; cash transfer payments were increased during the pandemic to help alleviate the debt repayment burden and cover electricity, water and gas bills of vulnerable households. Yet the pandemic has brought to the forefront gaps in social protection systems, as well as inadequacies in health and education systems, feeding structural inequalities. Approximately four billion people are not protected by any form of social protection, and many others are only partially protected. Now is the time to address gaps in social protection systems in order to prepare against shocks. This includes expanding social protection coverage to include all workers, regardless of the type of employment. Increased flexibility in the labour market cannot be allowed to translate into insecurity and precariousness.

The world has seen an unprecedented fiscal response to the crisis. The European Union, for example, has seen massive investments to mitigate the immediate consequences of the crisis. Generous fiscal packages are currently an important way to soften the impact of the pandemic. Argentina, the Philippines and Senegal have had positive experiences in increasing income and

food support for vulnerable households. However, even countries with sufficient fiscal space are struggling due to the extended duration of the crisis. It is important to learn from the 2008 financial crisis and not cut back on support too quickly. Furthermore, it is essential to ensure inequalities in access to social protection instruments do not amplify preexisting inequalities. Young people, women, low paid workers, and informal workers are disproportionately affected and face greater difficulties accessing support. Workers in formal, high-paid jobs, on the other hand, have seen far smaller losses of income.

The aftermath of the COVID-19 pandemic may reveal a more de-centralized world where local and regional markets play a larger role in economic and social life. Improved local employment and wage opportunities may come through ‘worker cooperatives’, ‘mutuals’ and ‘employee-owned businesses’ that are owned by their members. These are characterized as democratically controlled, workers share in the profits, have a compressed wage structure and a wider social purpose. For instance, Fenix International (headquartered in Uganda), a company that provides solar home systems across East Africa, has an inclusive employee ownership programme, where 350 employees receive "Fenix Flames", or shares, according to their seniority and length of service. Countries with many employee cooperative workers (e.g., New Zealand, France, Norway, Sweden, Denmark and Finland) rank low on inequality, high on happiness and high on the Social Progress Index (SPI), which measures “accessibility of basic needs, opportunity, and access to knowledge”. Similarly, local currencies/tokens (existing alongside national currencies) are useful monetary tools to help retain value that is created in the locality. One such example is the Sarafu-Credit, a community currency system operated in Kenya.

Governments’ approaches to disaster risk mitigation and adaptation provide lessons on how to mitigate the negative impacts of COVID-19, as the economic impacts of the pandemic are more similar to those experienced during natural disasters as opposed to previous financial crises. Shock-responsive systems can draw lessons from the Sendai Framework for Disaster Risk Reduction, using social protection and empowerment to reduce vulnerability. Countries must be prepared, take emergency measures, and build back better with improved measures, systems and capacities for the next hazard.

Strengthening social policies to facilitate a socially just transition towards sustainable development

Building back better requires reducing socioeconomic inequalities. Economic recovery from the pandemic goes hand in hand with promoting social justice and decent work. A human-centered recovery also requires a renewed commitment to a social contract which guarantees quality public services that promote equal opportunity, universal social protection systems that foster economic security, and robust public institutions that ensure equal rights. Six broad areas of policy action were discussed to recover better to advance social development and achieve the 2030 Agenda for all in the context of the Decade of Action to deliver the Sustainable Development Goals:

- Invest in human capital, including training and upskilling for young people, recognizing that human capital investments are sources of individual resilience and economic growth.
- Improve accessibility to the internet and close the digital divide: The pandemic has highlighted the necessity of technology to access work, health care and education. Delivering internet access to remote areas often hinges on the ability to leverage off-grid energy solutions.

- Increase cooperation and shared learning across countries and sectors: North-South cooperation and honor ODA commitments, public-private partnerships and blended finance schemes, Civil Society Organizations and local communities all have a role to play.
- Create an accommodative macroeconomic policy environment to support income and investment. In the medium term this will entail also helping enterprises and workers in different sectors to profit from the structural transformation process that will lead towards a more inclusive, resilient, and sustainable world of work.
- Inclusive recovery also requires pursuing a policy course that gets people – especially the most vulnerable – into decent jobs and that continuously protects those that need protection. All changes in the world of work need to be accompanied by strong social protection systems and effective labour regulation, so that “flexibility” does not translate into insecurity for workers and their families.
- Strengthen and consolidate social protection and health systems, so that they do not rely on linear, traditional employment trajectories. Social policy is not merely protective, but also helps people to be more productive.